## Appendix.

[*Vide* Answer to Question No. 56.]

Statement showing the number of original suits and small cause suits filed in the Nedumangad Munsiff's Court in the year 1110 M. E. and from 1103 to 1110.

| (a) (i) & (b) | Year. | | No. of suits filed. O. S. | S. C. S. |
|---|---|---|---|---|
| | 1103 | ... | 438 | 486 |
| | 1104 | ... | 795 | 825 |
| | 1105 | ... | 675 | 746 |
| | 1106 | ... | 569 | 612 |
| | 1107 | ... | 647 | 673 |
| | 1108 | ... | 601 | 653 |
| | 1109 | ... | 708 | 612 |
| | 1110 | ... | 1045 | 533 |

Statement showing execution applications pending at the end of 1110.

| | | |
|---|---|---|
| (a) (ii). | O. S. | 130 |
| | S. C. S. | 115 |

## CONSIDERATION OF THE REPORT OF THE AGRICULTURAL DEBT REDEMPTION COMMITTEE.

**PRESIDENT**: The next item on the Agenda is the consideration of the Report of the Agricultural Debt Redemption Committee.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): Sir, I ask permission to move the motion which has been tabled by Mr. Paramesvaran Pillai, the Additional Head Sirkar Vakil.

**PRESIDENT**: I think it will be quite appropriate if the motion is made by the Chairman of the Committee. I, therefore, allow you to make the motion.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): Sir, I move that the Report of the Agricultural Debt Redemption Committee be taken into consideration.

In doing so, I should like to say at the outset, that I am moving this motion primarily as the spokesman of Government. It is not in my province to advocate the acceptance of the various proposals made by the Committee.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Is he at liberty to address the House as the Chairman of the Debt Redemption Committee? Has he any place in this House?

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**PRESIDENT :** He is speaking as a member of the House.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): I can understand that.

**PRESIDENT :** It is very difficult for him to forget that he was the Chairman of the Committee.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): Have I no right to speak anythiag connected with the Report as Chairman of the Committee?

**PRESIDENT :** You can speak on the proposals contained in the Report.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): I was saying that I was not going to advocate the acceptance of the recommendations made in the report. In regard to the recommendations, the Government are keeping an open mind. I do not mean to say that Government are indifferent about the proposals. Government are certainly alive to the importance and the urgency of the problem; but what I mean that they have not made any decisions regarding them and they would desire to have the opinion of the House to guide them in their disposal of this subject.

Sir, the subject we have to consider to-day is one bristling with difficulties and complexities. It is a subject which affects a very large body of people in the State. Naturally there is a great deal of difference of opinion on the subject. There are two sides to this question. There is the opinion of the debtor class and their sympathisers. As against that, there is the opinion of the creditor class. What is the position we find to-day in regard to the question of agricultural indebtedness in Travancore? That position has been succinctly put by Government in their order. They say:

> "Owing to the abnormal fall in the prices of agricultural products, many agriculturists who have borrowed money find themselves unable to meet their liabilities and are thus in danger of having their lands sold in court auction at low price in satisfaction of decrees obtained against them. On the other hand, the creditors are unable to obtain satisfaction of the decrees without recourse to courts of law and are thus compelled to incur legal costs frequently without obtaining, in a majority of cases, full satisfaction of the debts due to them, owing to the low price fetched by the sale of lands at the present time"

From the outset the Committee kept a distinct objective. They were to explore the various means of reaching a solution of this problem of indebtedness of the agriculturists. At the same time, they had to keep in view the interests both of the creditors and the debtors. It was a very difficult proposition. There were divergent interests to be considered. But on the whole what the Committee kept in view was this, namely, that the conditions of the agriculturist debtors should be relieved as far as possible without substantially affecting the interests of the creditors. I believe, Sir, the Committee has done its best to look at the subject from the standpoint of both the debtors and the creditors.

Sir, there are two classes of criticisms in regard to this report. That is clear from the very large number of amendments tabled for discussion

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to-day. There is one class of criticism which says that the Report has not gone far enough and that it is halting and inadequate. There is another class which says that the proposals are too drastic. There are, however, some who advocate the adoption of the Report to a very large extent. The first class of people, that is, those who say that the proposals are halting, demand very many drastic changes. They advocate the establishment of debt conciliation boards on a compulsory basis. They are for reduction of rates of interest to a greater extent than has been advocated by the Committee, with retrospective effect, and they want the application of these rates of interest to payments which have already been made. They are against any discretion being given to the courts of law in the matter of allowing debts to be paid by instalments. Again they urge that debts secured on landed property should be considered to be discharged by the value of that property alone.

MR. N. E. VARUGHESE (*Tiruvalla I*): May I know from the member the source of his information on those points?

MR. K. GEORGE (*Land Revenue and Income Tax Commissioner*): The first source of information was the evidence placed before the Committee.

MR. N. E. VARUGHESE (*Tiruvalla I*): The member was stating that there was difference of opinion on the recommendations made by the Committee. I want to know the source of his information for that statement.

MR. K. GEORGE (*Land Revenue and Income Tax Commissioner*): One source of information is the very large number of resolutions that have been sent to the members of the Committee and the Government; and the other source is the large number of amendments tabled before this House.

The other class of critics say that the Report is too drastic and too revolutionary. They are against all the proposals practically, against the establishment of debt conciliation boards, whether on voluntary basis or compulsory basis, against reduction of interest at all, against grant of instalments for payment of decreed amounts and against the stoppage of arrest of debtors for non-payment of debts. On the whole, they are for leaving things as they are.

It has been said—if I may make a reference as the Chairman of the Committee—that the members of the Committee exhibited a large amount of irresponsibility. Now, Sir, this is a very serious criticism to make and I would be failing in my duty if I do not repudiate it on behalf of the Committee. Speaking of myself personally—and I am sure that that is the attitude of the other members of the Committee as well—we were always overwhelmed by the sense of responsibility that was placed upon us by the Government. Two courses were left open to us. One was to review the situation and to give expression to certain pious platitudes and tell the Government that hardly anything is possible. I may say that that was a temptation which always confronted us. It was very easy to do so. The other attitude was to go

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carefully into the question and suggest some measures which would give relief to the debtors without seriously affecting the interests of the creditors. I am glad to say the Committee decided to take up the second alternative, and they do not repent. I do not want to take more time of the House for my preliminary remarks.

This question of redemption of agricultural debt is not new or peculiar to Travancore. We are all aware of what has been done in several Provinces in British India and in some of the Indian States. Since the submission of the Report, Madras and Mysore have put forward certain proposals and are considering them.

Chapters 2 and 3 deal with certain basic facts. So far as these facts are concerned, it is acknowledged, on all hands, by the debtors as well as the creditors, that the position of the agriculturist to-day is deplorable. In recent years, on account of economic depression and the fall in prices of commodities and also on account of a succession of unfavourable seasons, the position of the debtor has become considerably worse.

In Chapter 3, the Committee have worked out certain tables indicating the extent of the fall in prices of commodities and land. It is seen that, so far as the prices of staple commodities are concerned, the fall is more than 50 per cent., and that so far the price of land is concerned the fall is about 30 per cent. The remedial proposal that the Committee has suggested are based on these fundamental facts.

Chapter 1 is a very important chapter. It deals with the definitions of 'agriculturist' and 'agricultural debts.' There was a great deal of controversy around these two topics. But the preponderance of evidence was on the line of recommendations made by the Committee. The Committee have stated their reasons for adopting these definitions and I need not therefore enlarge on that.

I shall next proceed to deal with the main proposals contained in the report. Elsewhere the general lines upon which relief measures have been adopted are the following:

Establishment of Debt Conciliation Boards for the composition of debts;

Reduction of rates of interest, in some instances with retrospective effect;

Grant of time to the debtors to pay their debts in instalments;

Enactment of a law to prevent the sales of lands at inadequate prices; and, lastly

Liquidation of debts mainly through Co-operative Societies and Land Mortgage Banks.

Any careful reader of the report will find that the Committee's purposals also proceed more or less on these lines. It is not my object to deal at length with each individual proposal contained in the report. But I think it is necessary to say a few words in order to correct certain misconceptions which appear to prevail in regard to some of the recommendations. I shall deal with the main recommendations of the Committee.

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Coming to Debt Conciliation Boards, the main question taken up by the Committee was whether Conciliation Boards should be established, and, if so, whether they should be on a compulsory or on a voluntary basis. There was difference of opinion on the subject. Some were for establishing Conciliation Boards and investing them with power to compose debts on a compulsory basis. I may say, Sir, that the Indian Banking Enquiry Committee, a body of expert financiers, held the view that, if need be, in certain places, conciliation on compulsory basis may have to be attempted. The Mysore Committee has made the same proposal. They have stated that the Government should reserve power to establish Conciliation Boards on a compulsory basis in case they consider that such a course is necessary. Our Committee considered the whole question very carefully and deeply. They were guided in this matter by the action taken elsewhere in India, namely, in the Central Provinces and in the Punjab. The Conciliation Boards, according to the Committee's proposals, should have power to compose debts only on a voluntary basis. I do not deny the fact that a very small element of compulsion will be necessary, if the Boards are to work successfully. According to the Committee, the only element of compulsion is that, if a creditor refuses to abide by a decision of the Board and institutes a suit, he will in certain cases be denied the cost of the suit and interest beyond a certain rate. I would in this connection point out that there is a material departure in this respect from the provisions found in the Punjab and Central Provinces Acts in regard to this. There the costs and interest beyond a percentage are denied in cases where the creditor goes to a court although a fair offer has been made by the Board. Here, the Committee have substituted cash offer for fair offer being acceptable. It will be admitted that this alteration which the Committee has made is distinctly in favour of the creditor. The payment should be made in cash before a particular date. If the debtor does not deposit the amount within that specified time, the creditor will not be Bound by the board's decision. But if he deposits the amount within that specified time and if the creditor still goes and files a suit, then only will he be denied cost and interest.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): Is there a more stronger compulsion than the one recommended by the Board provided elsewhere?

MR. K. GEORGE (*Land Revenue and Income Tax Commissioner*): In the Punjab and the Central Provinces, if a fair offer is made by the Board and that is not accepted by the creditor, he will not be entitled to recover the cost of the suit and interest in excess of 6 per cent. from the date of the decision.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): What I want to know is, generally, is there any stronger compulsion provided elsewhere?

MR. K. GEORGE (*Land Revenue and Income Tax Commissioner*): No. As I said we have more or less adopted the enactments elsewhere, with this difference, which, I say, is in favour of the creditor.



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[Mr. K. George].

Coming to the question, of reduction of rate of interest, what I want to say is——

**MR. CHANGANACHERY K. PARAMESVARAN PILLAI** (*Kunnattur* cum *Pattanapuram*) ; May I know whether this Board is to be a full-time Board or not?

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) ; Our proposal is that the Board should be a full-time one and work continuously.

**MR. CHANGANACHERY K. PARAMESVARAN PILLAI** (*Kunnattur* cum *Pattanapuram*) ; Who are to be the members of the Board? Are they to be retired men?

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) : I cannot say what the Government propose to do because they have not made up their minds yet on the recommendations of the Committee. I can only give my views on the matter.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : On a point of order. In view of the fact that the time at our disposal for the discussion of this important subject is limited, extraodinarily limited if I may say so, I wish to know whether questions relating to the details of the Board, such as whether the members of the Board should be retired officers, whether they are to be paid or not, or, whether they should be full-time officers are not, all these things arise at this stage?

**PRESIDENT** : I quite sympathise with the difficulty in which the members are placed. At the same time, when a particular question is asked for the purpose of eliciting information for the member's own knowledge, it is left to the member who answers it to reply. However, I should appeal to the members of the House not to go on asking too many questions, because, if that process begins, I do not know where it will end and if Mr. George occupies some more time of the House, there is very little time left for the other members. So I think we will adjust the time available so as to give opportunities for all members to speak.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) : I was speaking about reduction in the rate of interest.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*) : May I point out that the financial aspect of the question is a very material one.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) : I was speaking on the reduction of rate of interest. That is one of the most important recommendations of the Committee. That is a subject on which there has been considerable controversy. There again a misconception seems to exist as to the extent of the Committee's proposals. There are one or two distinct limitations which the Committee has placed on the reduction of interest one important limitation is that it is applicable only if the interest is paid at the specified time. If no cash payment is made, this recommendation will not be of any effect. But if cash payment is made within the time specified, then alone the benefit will accrue to the debtor. After all I should say that is not a very large concession.

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**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : Is that in favour of the creditor ?

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) : Not exactly. But the creditor does not stand to lose considerably by this.

There is also another misconception some are under the impression that the Committee have recommended a readjustment of the past transactions on the basis of the revised rates of interest. There was considerable evidence in favour of that. But the Committee was strongly and definitely against opening of settled transactions.

The Committee has given special consideration to certain organisations, *viz.*, Banking institutions, Co-operative Societies and chitty foremen in dealing with these there are three possible alternatives. First, there is the position that these institutions should be excluded from the scope of the proposal. Then there is the position that they need not be given special treatment at all, but should be treated like all other creditors. The third alternative is that they should be brought within the purview of the Committee's proposals, but should be given some favourable treatment in view of the special features attaching to them.

Then there is the important question of recovery of debts in instalments. Here also there is a prevalent misconception, that the Committee has recommended instalments extending to 20 years. That is not true. The Committee has no doubt said that the instalments extending to a period of 20 years might be given. But it is not an absolute rule applicable to all cases. It is left to the court's discretion whether to grant instalments or not and to fix the number of instalments, if any ; and the courts are also empowered to reduce the number of instalments where a change of circumstances justifies such a course. That is altogether different from saying that the report has advocated the grant of instalments in all cases as an absolute rule.

Then there are several other proposals about which we have hardly time to discuss. Some of these are, for instance, the proposals regarding sale of properties in court auctions. There was a considerable volume of evidence before the Committee that the amount of debt secured on a property should be limited to the value of that property. The creditors should not be allowed to proceed against any properties other than that which is hypothecated. Now the Committee has not gone so far. They have taken a sort of middle way. According to their proposals, the property has to be valued at a price which is midway between its pre-depression price and the present price and in this way the loss is, as it were, borne equally by the creditor and the debtor. Then there is the proposal with regard to *otti*.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*) : With reference to hypothecation, the statement is not clear.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*) : On page 115 of the report, there is an illustration which explains that.

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[Mr. K. George].

"A land is estimated at Rs. 10,000 in value in 1104. It is estimated at Rs. 4,000 at the present time. The average, *viz.*, Rs. 7 000 should be fixed as the value of the land".

The property which is hypothecated must be valued in this manner, and the sale of the property must be deemed adequate to discharge the debt to that extent, and only for the balance if any should there be necessity to proceed against other properties. Sir, I think I should not take up any more time of the House.

**SADASYA TILAKAN T. K. VELU PILLAI** (*Trivandrum-Urban*): Sir, I rise to a point of order. The motion is that the Report be taken up for consideration. I thought that the official member will make only a very brief statement. He has gone liberally into the matter. I do not want to stress that point because it has been done. The Government member stated that the Government have not committed itself to any action. The Report is before the House. The reasoning is before the House. So that I submit it is a point for ruling whether anything said by the official member in the light of his previous statement will have any bearing on the question. Government have not come to any conclusion and the report is before the House.

**PRESIDENT**: The point is raised and is quite relevant. But while listening to the remarks that were made by the Land Revenue Commissioner if I had detected any statement in which he has said that the Government have committed, to an acceptance of any recommendation themselves I would have called him to order. So far as I have heard him, he has merely been repeating what is contained in the Report. But I can agree that brevity on an occasion like this is the weight of wisdom. Therefore I think it would be quite right if I should ask Mr. George to abbreviate his remarks at once so that other Honourable Members may have a chance to speak. I cannot certainly find him guilty, for he has not said that Government have committed themselves to the acceptance of one recommendation or the rejection of another.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): I will now conclude. I have taken up a lot of the time of the House.

**SADASYA TILAKAN T. K. VELU PILLAI** (*Trivandrum-Urban*): A word of personal explanation. Not that I want Mr. George to stop his speech. If he is only saying what is contained in the Report, it is only a repetition and under the rules it is objectionable.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): Now I will conclude with a suggestion. I think it will be quite unprofitable if we are to discuss each and every recommendation made in this Report because there will be many things to be said both for and against the recommendations. It would be profitable if the House will concentrate the discussion on the main recommendations in the report and leave the details for consideration at a later stage when a Bill is placed before the House.

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**PRESIDENT**: Before I allow the discussion to proceed, I think, I should, in the first place, bring to the notice of the House one circumstance on which I should come to a decision. Generally when documents of this description are placed before a Legislative Body like this with the usual motion that the Report be taken up for consideration, the main object, as it has been on this occasion, is to elicit the opinion of the House to enable the Government to come to its own conclusion. It has been stated and correctly stated that Government have still got an open mind. They have not reached any conclusion and they will be thankful to the House for the expression of its views. Whether on an occasion like this it is necessary to take any definite motion that is on the paper and put it to vote or whether the Honourable Members should be given the discretion to speak out their minds and with the whole volume of opinion put before the House to enable the Government to come to a decision has to be determined. I am entirely in the hands of the House. Whichever way, I am quite willing to be guided by. It has to be decided whether it should be a definite recording of vote on every main recommendation or it should be a general discussion on the whole question on which members may speak and those views taken into consideration by the Government before they reach any decision.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): I would prefer the latter course. Without recording anything like definite votes, the benefit of the remarks of the members made on the recommendations of the Committee may be availed of by Government, for the members themselves may change their minds as a result of the discussion. I had myself tabled a number of motions mainly for the sake of stimulating discusssion upon certain vital points. That, I think, would be more appropriate. Government will be able to understand the various points and views with regard to the recommendations of the Committee.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): On behalf of Government and as the member who will be entrusted with the duty of preparing the Bill, I should like the House to record its definite views at least on the important points of the recommendations.

**PRESIDENT**: The next question is about the procedure to be adopted.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon* I): We were not able to follow. Is it that the whole question has to be put to vote or not?

**PRESIDENT**: The question is whether it should be a general discussion in which the members should express their views and all those views so expressed placed before the Government to enable them to come to their own conclusions, or record a vote on every resolution before the House each of which consists of so many sub-paragraphs. That is the question that has to be decided.

**MR. K KUNJUKRISHNA PILLAI** (*Quilon I*): I understood that the Law Member and the leader of the Liberal Party said that votes

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[Mr. K. Kunjukrishna Pillai.]

should be taken. If that is not the view expressed, then I have to offer a very opposite view On previous occasions, similar reports came up for discussion in this Assembly and we were accused that we were not able to record our opinion definitely on those reports. Government at a later stage said that discussion was allowed and no definite decision could be arrived at because 25 members spoke one way and 25 other members spoke in another way. Government got no help. They were put to difficulty. We shall not shirk our responsibility with regard to the proposals made in the report. We had expected that Government themselves would come forward with definite ideas in the form of proposals so that we may vote and record definite expressions of our views on those proposals That is why some of us formulated, as far as we could, the main proposals of the Report in the form of amendments and forwarded them for the consideration of the House. I am not willing nor would it be safe to leave in a nebulous form the views expressed by the House, for Government to formulate their own decision and say that one member expressed his opinion one way and another member in another way and so we had our own way. I am not willing to allow it to drift like that. The Government themselves could have done it without this if they had not taken this as a mere show. The Government could have formulated the recommendations in the form of a Bill and there would not have been the necessity for this discussion and wasting the time of the House. So I oppose that view. It is necessary and it must be allowed to come to definite conclusions if any useful purpose is to be served.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): May I know whether the time allotted is sufficient for the purpose?

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): The time allotted is quite insufficient. What can we say within these two hours and what views can be expressed within this time? We are here to do things seriously. We are not here merely to make some speeches. We want to transact real business. If Government also had taken that view, at least adequate time should have been given. Government thought it necessary to ascertain the views of this House. Why waste time if we could not get time to formulate our views? This is mere bunkum. If the matter is before the House, and if they sincerely wish to know the views of the House, then adequate time should have been given, reasonable facilities provided for and reasonable procedure adopted. I am opposed to a vague discussion and then leaving the matter entirely in the hands of Government. I am not agreeable to that view, Sir.

**MR. N. E. VARUGHESE** (*Tiruvalla I*). I entirely agree with the views expressed by Mr. Kunjnkrishna Pillai.

**SADASYA TILAKAN T. K. VELU PILLAI** (*Trivandrum-Urban*): I support the views expressed by Mr. Kunjukrishna Pillai for reasons of my own, which I shall place before the House. The Government have not come forward with any definite proposals. The Government

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is over-worked. Our business is to help the Government not in a nebulous fashion but in a tangible manner. We are sitting here, numbers of us; and if we have nothing to contribute to the Government for their edification and for their assistance, the time set apart for the discussion will be in vain.

We are sure that if some discussion proceeds we shall be able to come to a proper conclusion. I do not think that the Government want to escape any responsibility. In order to enable them to discharge their responsibility better, we want to help them with certain resolutions of a specific character. For that reason, I support Mr. Kunjukrishna Pillai.

**PRESIDENT**: As there is no uniformity in regard to the proposal, I think I must allow the usual procedure for the Resolutions being moved and voted upon. There is only one word which I would say in reply to Mr. Kunjukrishna Pillai's remarks which were supported by Mr. T. K. Velu Pillai. It is not quite correct at this stage, after having heard the official member, with regard to this proposal to say that Government should themselves have put before the House concrete proposals and asked for the opinion of the House on those proposels. The Government member has distinctly stated that the Government are still keeping an open mind and they have not as yet formed any conclusions. And to enable them to do so, they wish to be benefited and profited by the views of the House. Therefore I do not expect the Government to place any concrete proposals before the House.

The next question is to determine the procedure for taking up these Resolutions. Generally in a matter of this description, that Resolution which is most comprehensive in its nature is taken up for discussion.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): They are not Resolutions but amendments to the original motion.

**PRESIDENT**: Practically it comes to that. It is very comprehensive. Just from that stand-point I should have preferred No. 4 on the agenda to be taken up first, but it lacks, so to say, anything like definiteness. Perhaps it would be a strain on the members if they are allowed to take up those Resolutions from the general list which they advocate and those Resolutions which they reject and perform something like an operation in their own mind as to how many they are going to vote in favour of and how many against. That, I think, would be rather a difficult process for the members to follow. Therefore Resolution No. 4 cannot be taken up. Now the only thing is that competition lies between item No. 1 and item No. 2. More or less, both cover similar grounds with this difference perhaps that No. 1 does not contain some matters which No. 2 contains and No. 2 contains one particular matter which is not contained in No. 1. In view of that, I will allow item No. 1 to be taken up first.

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**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): I wish to know from the Chair about the extension of the time for discussion of this Report.

**PRESIDENT:** The Chair cannot decide that question without knowing the progress of the discussion to-day.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) Sir, I move that, after the words "taken into consideration", the following be added: -

"and that in doing so this Assembly records its opinion :—

(i) that the definitions of the words "agriculturist" and "agricultural debts" given in the Report of the Agricultural Debt Redemption Committee be accepted ;

(ii) that the creation of Debt Conciliation Boards for bringing about a composition of the debts of the agriculturists is absolutely necessary, and that the legislation towards that end be undertaken by Government without delay ;

(iii) that substantial reduction should be made in the rates of interest on agricultural debts applicable to the period of depression ;

(iv) that, in the prevailing circumstances, the debtor should be given the facilities to pay his debts in instalments and that the courts should be empowered to order the payment of decree amounts in instalments spread over a period not exceeding twenty years ;

(v) that the suggestion for the development of the Land Mortgage Bank made in the Report must be accepted ; and

(vi) that the interest on all amounts due to Government outstanding on 1-1-1110 should be reduced in proportion to the reduction proposed for payment due to private individuals and that greater liberality should be shown by Government in fixing the period of payment."

Sir, I have proposed these amendments to the original motion.

**MR. S. J. NAIR** (*Nedumangad*): Sir, I rise to a point of order. The honourable member has put about six amendments together and advocates the vote of the House. Sir, I find that some of the amendments are most detrimental to the agriculturists in the State. It would be hoodwinking the public as well as the honourable members if these six amendments are together put to vote. Of course, personally I agree with many of the amendments. Therefore I request the President to ask the member to see that his amendments are put separately before the House and vote taken on each.

**SADASYA TILAKAN T. K. VELU PILLAI** (*Trivandrum.—Urban*): I rise to a point of order. Is it right for a member to say that one member wants to hoodwink the House?

**PRESIDENT:** In the first place, I should like to point out to Mr. Nair that this recommendation of Mr. Kunjukrishna Pillai in the form in which it appears in the Agenda paper has already been admitted by the President and that of course in the form in which it should be admitted. In the second place there is nothing unsual or uncommon in a Resolution of this description to bring within its ambit all those points on which the member wishes to emphasise. It is of course open to the House to record its opinion separately on each item ; and I am quite sure that, when this motion is put to vote, each item will be separately put. (*hear, hear*), Therefore Mr. Nair may have his conscience easy that

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there is no attempt on the part of anybody to hoodwink anybody and I should certainly say that Mr. Kunjukrishna Pillai, whose integrity is as much in my hands as in the hands of other members, has not intended to hoodwink anybody.

**MR. R. SAMBASIVA AIYAR** (*Kunnatnad I*): I rise to a point of order. Ordinarily notice of amendment should be given within six days from the date of discussion. I find from the notice that this amendment was given on 9-11-1935. The Standing Order under which amendments shall be brought has not been suspended when this was allowed.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Does the member say that this is for notice for amendment of motions on legislative matters.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*) Will the member kindly quote the Rules referred to?

**MR. PUTHUPALLI S. KRISHNA PILLAI** (*Quilon II*): Is it permissible to allow a member to study a point of order?

**PRESIDENT**: It is his duty to quote the Rules under which he raises the point of order. He cannot cast that duty on the shoulders of the Government member.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): I do not know why a point of order has been raised. When it has been raised I wish to make a statement which would ease matters. Even for a motion on legislative matters, six days' notice is sufficient. This is not an amendment on a legislative enactment. For this motion, under the new Rule that has been passed, we want only six days' notice. For an amendment to the motion of this kind I am sure it cannot be that there must be that much of notice. As a matter of fact, there is no time prescribed for amendments.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): So far as I can think of, there is no specific rule relating to motions for amendments in the new rule. No time limit is fixed. So it would be in your discretion to admit or not.

**MR. R. SAMBASIVA AIYAR** (*Kunnatnad I*): I refer to Rule 20 at page 99 of the Manual. It reads thus:—

"20. (1) A matter requiring the decision of the Assembly shall be brought forward by means of a question put by the President on a motion proposed by a member.

(2) Save as otherwise provided for in the rules or Standing Orders, a member who wishes to move a motion shall give notice of his intention to the Secretary six clear days before the meeting at which he intends to move the motion:

Provided that the President may in his discretion admit at any time any motion without such notice or admit at any time any motion at shorter notice than that prescribed by this sub-order."

Therefore I would like to know whether the motion is in order since the President has not yet given permission.



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**PRESIDENT:** The fact that it appears on the Agenda paper itself shows that permission is granted.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Sir, I gave notice of this amendment with a view to facilitate the expression of opinion by this House on the Report that is before the House for consideration. Sir, the Report of the Agricultural Debt Redemption Committee is one of the Reports that is before us on this question of the serious economic situation that has confronted the agriculturists of the country in general. During this time of depression the Government have been vigilant enough and have been appointing Committees, *viz.*, the Banking Enquiry Committee, the Economic Depression Enquiry Committee and the Co-operative Enquiry Committee and all these Committees have dealt with the question of indebtedness very seriously and we have got ample material before us for the appreciation of the situation created by the slump in prices and the extraordinary character of the economic condition of the agriculturists in particular. Sir, the Report of the Agricultural Debt Redemption Committee, as has been pointed out by the official member, has come in for condemnation by extremists on both sides. Sir, I would consider that significant fact as a point for recommendation for the acceptance in general of the proposals of the Committee and the soundness of the views expressed by the Committee, because of the fact that extremists among the creditors and extremists among the debtors have found it not possible to accept in *toto* the recommendations of the Committee. That is proof positive ; and so far as I am concerned, I find that the Committee has been following a golden mean and in a complicated question like this it is only natural that there must be divergence of opinion; and from the point of view of the Committee, though I myself have got certain differences of opinion on certain points, generally speaking I must say that the Committee's work has been done with a conscientiousness and thoroughness that is commendable, (*hear, hear*). Sir, I do not say that the Committee's recommendations should be accepted simply because they are attacked by a large number of people on both sides on the dictum, put forward by some people, that a man's greatness increases in proportion to the number of his enemies.

From a reading of the report, it will be clear that the Committee has been weighing the pros and cons of the many problems with great care, and that the Committee steadily kept before its eyes the ultimate interests of the public.

With regard to the definition of the term 'agriculturist', naturally, there is difference of opinion. Some say that only the actual tiller of the soil should be called agriculturist. There are others who say that the term must be restricted or limited by the income derived or by the amount of debt that has been accumulated. I am ready to concede that there is much to be said against the present definition made by the Committee if we aim at theoretical perfection in the definition

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I am glad to find that the Committee has taken a practical view of the matter. Their definition relates to persons who have been directly hit, and hit hard, on account of the phenomenal, sudden and steep fall in the prices of agricultural commodities, people who depend upon the income from the agricultural commodities as their main source of income, people whose mainstay is what they get by the sale of their agricultural commodities. The Committee suggests, as the criterion for determining whether a person is an agriculturist or not, that the question should be considered whether the main source of his income is his agricultural products. I think, Sir, that is a fair and reasonable standard. On the other hand, if, as some people suggest, we include in the definition only the actual tillers of the soil, there will be no debts at all worthy of consideration, and the whole problem can be disposed of in an instant.

The House adjourned for lunch at 1-3 P. M. and reassembled at 2 P. M., the Deputy President presiding.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): May I make a suggestion for the consideration of the Chair. Each sub-heading of the amendment now under discussion is to be voted upon separately. I would therefore suggest that, if Mr Kunjukrishna Pillai has finished his first sub-heading, the House may be allowed to discuss and dispose of that first before the other clauses or sub-headings are taken up.

**DEPUTY PRESIDENT**: Mr. P. K. Narayana Pillai proposes that each sub-heading may be discussed separately so that at the time of voting the arguments will be fresh. But, was that the practice here on previous occasions? The practice appears to be that the debate always relates to the whole resolution, voting alone being done item by item. Anyhow, personally, I have no objection—if the House wants it—to accept Mr. P. K. Narayana Pillai's suggestion.

However, I think we need not change the usual practice.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Sir, when we adjourned for lunch, I was at the definition of 'agriculturist' and 'agricultural debts'. The Committee has not fixed any limit which is to be treated as agricultural debt. I am given to understand that there is a lot of objection for unlimited scope being given to the term 'agriculturist' and 'agricultural debt'. I am also aware of the fact that, in the recent amendment of the Madras Bill, the amount of such debt has been limited to a maximum of Rs. 10,000. I am aware that, in Mysore also, they have fixed a similar limit. Personally I have myself not yet made up my mind as to whether any such limitation should be made here. I do appreciate the arguments put forward both in favour of such limitation and against it.

One main argument put forward by those who are in favour of such a limit being fixed is that the Government or the State should interfere in cases of grave emergency.

**DEPUTY PRESIDENT**: I may just say that, ordinarily; the mover may have 15 minutes, and the seconder or supporter 7 minutes. I think, considering the importance of this subject and the number of

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[Deputy President.]

members likely to come forward to speak on it, and the limited time at our disposal, that will be a salutary rule. Mr. Kunjukrishna Pillai has already been talking for some time. He may have a few minutes more.

**MR K. KUNJUKRISHNA PILLAI** (*Quilon I*): I have taken only five minutes, Sir, so far.

**DBPUTY PRESIDENT**: You may take 10 minutes more.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): May I bring the following fact to the notice of the Chair? Mr. Kunjukrishna Pillai's amendment covers the whole report, so that any member who wants to speak upon it will also have to cover the whole field. That a member should be asked to confine his remarks on the whole report to seven minutes is, I submit, rather hard. (*Cries of hear, hear.*)

**DEPUTY PRESIDENT**: I am very glad of that way of manifesting the opinion of the House.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): That was why I suggested that each sub-clause may be discussed and dealt with separately. If that is done, the rule with respect to the 7 minutes' limit may be regarded as sufficiently salutory.

**DEPUTY PRESIDENT**: We may not reach some of the recommendations at all. There is that risk. I quite concede the point in the suggestions that have been made to the Chair. But the Chair has given its ruling after considering the pros and cons, and the time at our disposal. I shall certainly be very happy to accommodate individual members as much as possible. But some standard like the one that I have fixed is necessary. It is not a hard and fast rule that I have made. Those who speak will be accommodated as much as possible. I suppose, that commends itself to the House.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Are all the amendments to be considered together?

**DEPUTY PRESIDENT**: There has already been a ruling by the Chair that voting alone will be done separately.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): I was submitting, Sir, that the main argument, put forward by those who want a limitation to be imposed on the amount of debt to be considered as agricultural debt, was that the Government should interfere only in cases of grave emergency to protect interests which require such protection under exceptional circumstances. If it was only a case of a small section of the people, a negligible minority standing in need of help, certainly, one cannot expect the Government to interfere. Sir, that is the argument that is put forward by those who are in favour of fixing a maximum limit for these debts to be included in the term 'agricultural debt'. There is very great force, in theory, in this argument. Ordinarily, it will not be right on the part of the State to interfere with private contracts, especially when such interference is likely to shake

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the credit in the land. But we find, Sir, that in Travancore this question has a special significance. That is what I find from the Report. The report shows that debtors, whose debts amount to Rs. 6,000 or more, together form only about 4·8 per cent. of the total number of debtors; and the aggregate amount of their debts, be it due to the coastal firms or to the inland banks, is only about Rs. 19 lakhs. The Report also says that the gross debts in the country amount to Rs. 38 crores, of which agricultural debts alone are in the neighbourhood of Rs. 27 crores. Now, when that is the position, if we are going tofix any maximum limit for this 'agricultural debt' if we are going to make any distinction among these debtors themselves, what are we going to gain after all? The majority of these bigger debtors are owners of plantations; and they owe the debts to the coastal firms. The aggregate amount of their debts is only about 19 lakhs. I understand that the coastal firms themselves have come forward agreeing to make large concessions. Instances have been brought to my notice in which these coastal firms have been prepared to accommodate to the extent of 50 per cent. of their dues. Therefore, Sir, I do not think any practical purpose would be served by excluding one category of debtors alone, and complicating matters.

I shall pass on next to the most important of the ameliorative measures recommended by the Committee, namely, the formation of conciliation boards. As to the necessity of these boards, there cannot be any question at this stage. It is too late in the day. Everybody recognises the limitations of this remedy. But, in spite of its defects, all the world over, all people who have had to deal with the ameleoration of the condition of the agricultural debtors have had to resort to this remedy, however defective it may be. Of course, the main criticism levelled against it is with regard to the difficulty of finding out suitable personnel for these boards. I am glad to find that the Committee has expressed such difficulty in the strongest possible manner. They have explained how the evidence with regard to the personnel has been preponderating, nay even unanimous, in that the whole scheme, the successfull working of it, entirely depends upon the personnel of the boards. And they have gone to the length of suggesting that, if the Government do not find it possible to get proper men, it would be better not to have these boards at all rather than have boards with bad and indifferent members. I am sure this House also will echo the very same sentiment because, as I said, the whole purpose will be defeated, the whole scheme will be vitiated if the personnel is not proper. Therefore, assuming that we will get proper persone, it cannot be denied that this method is the easiest and the most practical method that can be devised for our present purpose. I need hardly labour this point any more except to point out that debt conciliation boards have been recommended by the Royal Commission of Agriculture, by the Central Banking Enquiry Committee and by our own Devadhar Committee.

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**DEPUTY PRESIDENT** ; I shall put you a question, Mr. Kunjukrishna Pillai. Do you advocate the principle of communal representation for these boards ?

**MR. KUNJUKRISHNA PILLAI** (*Quilon I*): Never, far from it. I shall not advocate it in any matter. I would only say that the personnel of these boards must be superb A class persons.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*) : Under existing conditions in Travancore, does the member think that it will be possible to constitute these boards except according to the principle of communal representation ? And, are the Government likely to do it ?

**DEPUTY PRESIDENT** : I disallow the second question since what the Government are going to do is certainly not a matter for Mr. Kunjukrishna Pillai.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : I am sanguine enough to believe that, in this matter, there is no communal question at all. As far as I can see, it is a first-rate, important economic problem. I think, the whole country, however communally inclined it has been taught to be, has not been viewing *this* problem—I am happy to find that—from the communal point of view at all. I hope, fondly hope, that the Government will not descend to communal representation and spoil the whole scheme, especially because that will not be to the interests of any community nor to the interests of the State as a whole.

I shall next deal with the question of the reduction of the rate of interest. I think, Sir, that no real relief can be given to the agriculturists unless the rate of interest is substantially reduced. The fall in the prices of agricultural commodities has been so steep that in no case has any of these agricultural debtors been able to pay in full the interest on his debts by selling his agricultural produce. In fact, since the depression set in, none of the agriculturists in the country has been able to make both ends meet. Then, how can we expect them to pay interest to their creditors? Therefore, drastic reduction should be made in the rate of interest. I am not satisfied at all with the reduction suggested by the Committee. In most of their recommendations, especially in regard to interest, the Committee has erred on the side of moderation. We all know, Sir, that the best land never yields 6 per cent. on the capital outlay. And, 6 per cent. is considered a reasonable and even low rate of interest in this country. Both large scale and small scale cultivators stand in need of adequate relief in this direction.

One important reason that prompted me to support unhesitatingly measures for the relief of the agriculturists, is that we owe the increase of the wealth of the State entirely to our agriculturists, large scale or small scale. It is these people that have sunk crores of rupees worth of capital in opening up our impregnable forests in bringing them under cultivation. That is a phenominal fact which we must bear in mind. I do not think there is any other section of the people which

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can show so much of solid work done in improving the wealth of the State. That is why I submit that Government must be prepared to do everything in their power for affording relief to the agriculturists of the country. Even after the relief measures now proposed are granted, if the Government find, if they are convinced that these people stand in need of further relief, Government must unhesitatingly afford it. I am reliably informed, Sir, that the creditors themselves, several of them, are prepared to accept the principal alone, without interest, provided they are assured that they would be paid cash within a definite period of time. I would even go to the length of saying that the reduction in the rate of interest must also be given retrospective effect, say, from the period of depression.

**RAO SAHIB S. PARAMESVARA AIYAR** (*Nominated*): The member was suggesting that the reduction, in the rate of interest, recommended by the Committee, was very moderate and that he would recommend further reduction. May I know to what extent he would further reduce the rate of interest?

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): I have not yet definitely made up my mind on that matter. Personally I feel that 4 per cent must be the maximum rate of interest allowed; nothing more than that.

Some people seem to fear that, by adopting these measures, we would stand the risk of Travancore capital flowing out of it. We know Sir, that, when British India did not fix any maximum rate of interest decreeable by Courts there, we fixed a maximum of 12 per cent. in our Civil Procedure Code. Still we know that capital from here has *not* flown into British India.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): May I know from the member whether, on account of the higher rates of interest in British India, the capital from here did not flow into British India?

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Money could have been invested at higher rates of interest in British India. It is not merely the yield from the land that makes people invest their capital on land. There are other considerations. Sentimentality, consideration of respectability that is attached to land and the possession of the political influence that goes along with the possession of the property in the State, if these things are considered, I think there is absolutely no basis for the apprehension that capital will fly away if we reduce the rate of interest. Even outside the State, we find that they are also resorting to similar kinds of legislation. I think, Sir, that adequate protection should be given with a view to see that debts are reduced and the burden of debts is removed as easily as possible. That has been the policy pursued in the Bhavnagar State. There they went further, even cut down the principal and settled the debts so that 75 per cent. of the agricultural debts have been wiped out. Sir, only if the agriculturist can be freed from this nightmare of debts, can he be expected to do things wisely and properly in the future. I am at one with those people who say that this is not going to bring the millenium to the

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agriculturists. If further measures have to be taken, intelligent measures have to be pursued by the State for safeguarding the interests of the agriculturists by adopting the best methods adopted in civilised countries. But, for that, it is essential to clear the ground in the way by the wiping out of the burden of agricultural debts.

I think the arguments are pretty clear as to the necessity of the payment of debt by instalments. It is mere justice that is asked for and the agriculturist must be given the opportunity of exonerating himself and paying the amounts due by him, if he possibly could, and keep his respectability; and this can be done only by allowing him a reasonable time for payment.

With regard to the suggestion for the development of the Land Mortgage Bank, I am at one with the proposals made by the Committee; but I wish to make one deviation from it. If the Bank's resources are liable to be limited as also the loans that are to be issued from it, I believe only debtors owing below Rs. 10,000 need be given facilities by the Land Mortgage Bank. I think that will be quite fair and it will be a way in which the Government will be subserving the interests of the vast majority of the people of the State. Otherwise, there will be room for complaint that people with huge debts and who are influential might take away all the money that the Land Mortgage Bank may possess.

The last item in my amendment only follows from the other items and that is that Government should set an example for the other creditors, because, after all, Government is also a creditor, so far as the agriculturists are concerned; and they must show that they are willing to take risks and help the agriculturists in times of need.

As the timeallowed to me is short and though I feel I have not been able to do anything like justice to all the items contained in my amendment, I formally move the amendment for the acceptance of the House.

[Messrs. T. P. Velayudhan Pillai and S. J. Nair stood up to speak.]

**DEPUTY PRESIDENT :** Before I call upon Mr. T. P. Velayudhan Pillai whom I propose to call upon next, I wish to observe that the limitations of time are imperative. Mr. Kunjukrishna Pillai has got very much more time than he could get normally, and yet the subject being vast I can only sympathise with Mr. Kunjukrishna Pillai.

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*) : Sir, the additional points contained in my amendment, which I propose to move next, are these—

(1) This Assembly accepts the proposal of the committee regarding the creation of the Debt Conciliation Boards for bringing about voluntary composition of agricultural debts.

(2) This Assembly accepts the recommendations of the committee regarding the arrest and imprisonment of the debtor.

(3) This Assembly accepts the proposals of the committee regarding the widening of the activities of the Land Mortgage Bank.

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Sir, on two previous occasions, I have attempted to urge upon the attention of this House the apparent defects in the constitution of the Debt Redemption Committee and the uselessness of the statistics that would be furnished by such a committee. Anyhow, I have very great pleasure in congratulating the Committee on the presentation of such a valuable report. I would support the main recommendations contained in that report. The Committee have unanimously opined that early steps should be taken by Government to give substantial relief to the agriculturists of the State by means of immediate legislation.

Sir, the recommendations which deserve the earnest and serious attention of this House, in my opinion, are those relating to—

(1) the creation of the Debt Conciliation Boards by Government in different parts of the State for effecting voluntary composition of agricultural debts.

(2) The reduction of the rates of interest payable by the debtors to the creditors.

(3) The recovery in instalments of debts secured or unsecured, and decreed or not decreed.

(4) The exemption from arrest and imprisonment of judgment-debtors.

(5) The widening of the activities of the Land Mortgage Bank for the purpose of enabling the agriculturists to pay off their debts.

It is my considered opinion, Sir, that these recommendations should be unanimously accepted by this House. Now let us first consider whether the creation of Debt Conciliation Boards, the reduction of the rate of interest and the widening of the activities of the Land Mortgage Banks are urgent necessities. My answers to these questions are in the affirmative. To support my position, I would rely upon the valuable opinions expressed by eminent men of authority on the subject. Sir, I would first refer to the Devadhar Committee Report. At page 137, it says—

> "We are aware that any temporary measure will not in any way solve the problem. We feel that it is curable only by prolonged and sustained treatment spread over a number of years and measures most urgently needed are the initiation of a scheme of debts conciliation and widening of the activities of the present Land Mortgage Bank."

Further at page 130 of the same report it is stated—

> "In a pamphlet on economic planning Mr. Nalinaranjan Sirkar, President of the Bengal Chamber of Commerce and a Member of the Central Banking Enquiry Committee, has truly remarked that the chronic indebtedness of our cultivators remains a Himalayan obstacle to the effectiveness of any piecemeal ameliorative measures and the malady can be cured only by planned treatment. Mr. Sirkar is of opinion that the measures, most urgently needed for it, are the initiation of a scheme of debt conciliation and the establishment of the Land Mortgage Bank"

**DEPUTY PRESIDENT:** The extracts should not be too many.

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): At page 132 of the same report, it is stated—

> "Bombay and Assam also are introducing Bills on these lines. It is understood that the Government of Bombay have accepted the recommendations of the Committee which has been enquiring into the question of agricultural indebtedness in the Bombay Presidency and propose to start very shortly Land Mortgage Bank in various parts of the Presidency on the lines recommended by the Committee."



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Sir, it is only a fortnight since the Mysore Government passed final orders with regard to this question. They say:—

"The scheme proposed by the Committee is generally acceptable, but a few modifications appear to be necessary. The Committee's proposal to have Conciliation Boards *ad hoc* for each case may lead to a want of uniformity regarding the guiding principles and procedure adopted by different Boards in the same locality. It is necessary that, in the settlement of cases, some general principles should be uniformly followed. In this view, a permanent Board for each local area, to deal with all the cases arising there, appears to be necessary. The Conciliation Board should moreover be in a position, to negotiate loans, wherever necessary from the land mortgage bank or co-operative society, as the creditor will expect payment in cash of the reduced amount of the debt. All this requires that, for each local area, there should be a permanent Board and it is desirable that the Chairman of the Board should be an official. There should be two or more additional members of the Board who should be appointed by Government."

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): When will the direct speech begin, Sir?

**DEPUTY PRESIDENT**: The speech is direct, but the member is reading a quotation. I wish that quotations are read sparingly.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): When a member agrees with some recorded opinion is there any harm in his reading it?

**DEPUTY PRESIDENT**: I think Mr. Thanu Pillai will have the supreme wisdom of not questioning the ruling of the Chair. [Mr. E.V. Krishna Pillai: *Hear, hear.*]

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): Dewan Bahadur T. Raghaviah, ex-Dewan of Travancore expressed his opinion in this manner at the Andhra Conference held on the 15th April 1935.

"The remedy suggested by me of compelling the creditors by law to accept composition of their debts on receipt of a fraction thereof is no doubt a drastic one and savours of confiscation. But this remedy has been adopted in other countries; and although at first sight the creditor might grumble at having to forgo part of his capital as well as the high rate of interest he has been expecting to get, he will be thankful in the long run when he finds out that he is quite certain of getting back part at least of his capital and for receiving interest regularly thereon, if he chooses to take payment in the shape of debenture bonds."

**DEPUTY PRESIDENT**: I cannot permit Mr. Velayudhan Pillai to read so many extracts. He may just mention the substance and give the reference.

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): Sir, I am sure that now this House will agree to the recommendations of the Committee in regard to the creation of debt conciliation boards, the reduction of the rate of interest and the widening of the activities of the Land Mortgage Bank.

Now I shall deal with the question of exemption from arrest and imprisonment. Sir, on principle it is very hard to deprive the family of the debtor of the benefit of his labour in enabling them to eke out a livelihood for the whole family. The Mysore Agriculturists' Regulation of 1928 provides that no agriculturist shall be arrested and imprisoned in execution of a decree for money passed before or after the Regulation came into force. The recommendations of our Committee, I believe, are more just and equitable on this point. They make different provisions in respect of arrest and imprisonment for the existing and future debts. So my considered opinion is that the Government should take steps for giving effect to the wholesome recommendations of the committee by means of an immediate legislation.

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In this connection, I would venture to make some amendments regarding certain recommendations of the Committee The report says that the amount of the debt shall be recovered in such number of instalments spread over a period of not exceeding twenty years. In regard to t is, there app ars to be serious difference of opinion. The United Provinces Agriculturists' Relief Act of 1934 empowers courts, when passing decrees against agriculturists to fix instalments which may extend over a period of four to fifteen years. The Mysore Agriculturists' Regulation of 1928 empowers the courts to permit repayment of debts in instalments extending normally up to eight years. So my opinion is that the total period of repayment of debt should be spread over a period not exceeding ten years.

**DEPUTY PRESIDENT**: I want to know which is the sub-number of the amendment that you are going to move?

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): Part (*d*).

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Can that be allowed? When an amendment is already under discussion, can a member move another amendment?

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): I have not fixed any period there. My point is that the total period of debt should not be more than 10 years. Another point which I wish to urge upon the attention of this House is that the pecuniary limit of conciliation boards should be fixed at Rs. 10,000. With these observations, I move the amendment.

**MR. K. R. ELENKATH** (*Kalkulam I*): May I know whether more than one amendment may be taken up for discussion? If that can be done, may I know how the votes are going to be taken?

**DEPUTY PRESIDENT**: We have sometimes to take the risk of defective memories in discussion. Because there are such a large number of amendments, it does not mean that we cannot keep them in mind. All the amendments are together before the House. At the time of voting, they may be separated. I would deprecate the practice of members standing up to clear doubts after they have been cleared. I do not want to make any reflection on Mr. Elenkath. He has submitted this in a spirit of enquiry.

**MR. S. J. NAIR** (*Nedumangad*): Sir, I support the amendment moved by the honourable member except item No. (i) and the concluding portion of item No. (iii). Sir, the Report of the Committee itself is far from satisfactory. Excepting the formation of Conciliation Boards, I can find no reasonable suggestions made by the Agricultural Debt Redemption Committee for the immediate relief of the agricultural indebtedness in the State. Sir, the agricultural population in the State forms 95 per cent.; and the vested interest such as the banking, the Jenmi and other interests, form less than 5 per cent. For the sake and cause of protecting the selfish and petty interests of the vested interests, who form only 5 per cent. of the population in the State, it would be a sort of sacrilege to sacrifice the very life, existence and sacred interests of 95 per cent. of the population in the State.

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**MR. P. CHIDAMBARAM PILLAI** (*Commerce and Industry, South*): May I know where the member got his figures from?

**MR. S. J. NAIR** (*Nedumangad*): From the Census Report. It says that the agricultural population of the State is 95 per cent. Sir, the amendment moved by Mr. Kunjukrishna Pillai desires to define the term "agriculturist" as it has been given in the Report. My view is that that definition is not wide enough to include all the agriculturists in the State. So my objection is that the word 'mainly' that occurs in the definition of "agriculturist" must be deleted, its scope widened and the definition should be amended as follows:—

"An agriculturist should mean a person—

(i) who earns his livelihood by agriculture, either as a land-owner, or a tenant of agricultural land, or a servant of a land-owner, or of a tenant of agricultural; land or

(ii) who earns his livelihood as a village menial paid in cash or kind for work connected with agriculture, etc."

Only when the definition is so amended would it include all the agriculturists who stand in need of relief. Otherwise a wide discretion would be given to the courts, which in its turn would cause unnecessary trouble and loss to the agriculturists by giving room to protracted litigation.

Coming to the definition of "agricultural debts," if we accept the definition as given in the Report, you would be selling the rights of the agriculturists for the sake of "vested interests" in the State. If the debts that the agriculturists in the State owe to the vested interests, such as Co-operative Societies, Jenmies, traders and the Government are excluded from the category of agricultural debts, I would boldly assert that practically 75 per cent. of the agricultural debtors in the State would be denied the benefit of the legislation that the State proposes to undertake to relieve the agricultural indebtedness in the State. There is absolutely no class of people in Travancore known as the trading classes. More than 99 per cent. of the traders are agriculturists also. To exclude the debts incurred by agriculturists for the purposes of trade would be denying the rights of those traders who are really agriculturists. That is hard. Again take the debt due to the Government. This includes agricultural loans, industrial loans and various other loans. If the interests of those persons who have taken up agricultural loans, etc., are not safeguarded, what is the fun of proposing a legislation in order to safeguard the interest of a microscopic minority in the name of agricultural indebtedness? I would submit that there is no meaning in it. If we exclude the debts incurred for purposes of trade, the debts due to Government, the debts due to Co-operative Societies or to Joint Stock Banks registered under the Companies Regulation and the debts incurred in the shape of rents due under lease transactions, including *michavaram* and other annual dues payable to Jenmies, the debts of the agriculturists, to be called as "agricultural debts" would be small, very small. Then there would remain only a negligible amount known as agricultural debts The agriculturists are in fact steeped in debts incurred for trade, debt

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due to Government in various shapes, debts due to Co-operative Societies and Banks and debts due to Jenmies. So to make any distinction between the above debts and other debts of the agriculturists would mean refusing to render any help to solve the agricultural indebtedness in the State.

**MR. P. CHIDAMBARAM PILLAI** (*Commerce and Industry, South*): Is the member for writing off the debts?

**MR. S. J. NAIR** (*Nedumangad*): Most willingly. Unfortunately, the State is not prepared to do that. If I had the power to do it, I would have saved the country and the people by doing so.

**DEPUTY PRESIDENT**: There is an "If" there.

**MR. S. J. NAIR** (*Nedumangad*): Yes, Sir, because I am helpless and powerless. With regard to the debts to the Co-operative Societies, practically cent per cent. of the members of the Co-operative Societies are *bona fide* agriculturists and almost all of them are debtors to the Societies. So to exclude them from the protection the Government intend giving agriculturists would be very hard.

**MR. K. GEORGE** (*Land Revenue and Income Tax Commissioner*): Are they really exempted?

**MR. S. J. NAIR** (*Nedumangad*): Practically, if the definition of "agricultural debts" as is given in the Report is accepted, debtors to Co-operative Societies would be denied the benefit of the proposed legislation. So I say that protection ought to be given to those people also. In regard to *michavaram* and other debts to Jenmies, they are the debts of agriculturists. In very many of the taluks, a good many of the agriculturists are indebted to these Jenmies. But the Jenmies' dues are also exempted from the purview of "agricultural debt". So I stoutly oppose the definition as given in the summary of conclusions and recommendations in the Report and I suggest that the definition of "agricultural debts" ought to be amended as follows :—

> "Agricultural debts should include all liabilities of an agricultural debtor, in cash, or in kind, secured and unsecured."

Then and then only the relief that the State intend giving and the agriculturists hope to get would have any effect. Else there is no need for making a show of saving the interests of the agriculturists, who are the backbone and life of the State.

In regard to the third item of Mr. Kunjukrishna Pillai's amendment, the words "applicable to the period of depression" should be deleted. The law must be applicable to all sorts of existing debts, whether incurred before or after the period of depression.

Then with regard to the differentiation of interest to be paid to the debts due to the banker and ordinary creditor, I submit, that it is too hard to treat the debts in two different categories. There must be uniformity in the matter of the award of interest and, the interest must be lowered to 4 per cent., if possible, less. With these few suggestions, I heartily support the other amendments ably moved by my friend Mr. Kunjukrishna Pillai.

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MR. A. S DAMODARAN ASAN (*Mavelikara*): Sir I beg to move the amendment standing in my name.

MR. POTTAYIL S. KRISHNA PANICKAR (*Shertala II*) I have also an amendment.

DEPUTY PRESIDENT Only two amendments have been moved Mr. Asan may support the present motion.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): My amendment is not the same.

DEPUTY PRESIDENT: You may give your reasons while supporting Mr. Kunjukrishna Pillai's amendment.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): I beg to submit a point. There is a motion before the House and two amendments have already been moved. Will it not be better if all the amendments are moved and put to vote one by one in the order in which they are moved?

DEPUTY PRESIDENT But in view of the nature of the discussion and the importance of the subject, if there are all manner of amendments, the House may not be able to understand them. There are too many amendments.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Should not there be an opportunity of putting this issue also before the House?

DEPUTY PRESIDENT: Certainly, I do not want to restrict that opportunity. There was a ruling by the President and I do not want to go against that.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Mr. Kunjukrishna Pillai has moved certain amendments and if any other amendment raises the indentical points already raised, that need not be moved. But if any amendment suggests a new point, then that might be moved and discussed. At the time of voting, the amendments will be taken up one by one. All that I say is, indentical amendments need not be moved at all.

DEPUTY PRESIDENT: That is why I was pointing out that, if there are too many amendments it will be difficult for a member to speak on them at the same time. In a matter like this we must look to the matter of expediency rather than of law.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): So I can move my amendment because there is a new point. The amendment is as follows:

> ".....and in doing so recommends that steps be taken immediately for passing a Regulation within three months from this date, through the normal legislative machinery, for the constitution and working of Debt Conciliation Boards, for the equitable settlement of the debts of the agriculturists, whose debts exceed 60 per cent of the present value of their assets and whose total debts do not exceed Rs. 10,000".

DEPUTY PRESIDENT: That requires considerable scrutiny, because, there is a good deal of overlapping.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): So am I in order?

DEPUTY PRESIDENT: You will be in order when you make a motion to add to the amendment proposed by Mr. Kunjukrishna Pillai

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and it is duly seconded. But so far as I am able to see, the amendment that you want to place before the House comprises a number of points in which there is considerable overlapping with Mr. Kunjukrishna Pillai's amendment. Taking away overlapping points, if you put independent propositions, I am prepared to consider that.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : I do not find any overlapping-

DEPUTY PRESIDENT : I declare there is overlapping.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Then, I will speak on the amendment now before the House.

Sir, I agree with the report of the Agricultural Debt Redemption Committee. A situation has arisen to take immediate steps for solving the question of Agricultural Debt Redemption. The Proclamations that have been issued twice and the non-continuance the same after six months have aggravated the situation. The debtors as well as the creditor are not now in a position to know where each of them stand. Unless the Government is going to say the final word on the matter as to what is to be done or what they are going to do,the present confusion would continue to worry both parties. The Agricultural Debt Redemption Committee's report was submitted to Government more than a month before and my own view of the matter is that, for the expeditious disposal of such an emergent affair, the Government could have straightaway brought in a Bill before the House and got it passed. That could have saved the time of this House and avoided undue delay in the solution of an emergent problem. In a Bill we would be able to discuss clause by clause and pass it after mature consideration. That is why I am suggesting that immediate steps must be taken to settle the present question.

DEPUTY PRESIDENT : Put that alone in the form of an amendment.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Part (a) of my amendment is that immediate steps be taken for passing a Regulation within three months from this date and the second part of my amendment is that that must be done through the normal legislative machinery.

DEPUTY PRESIDENT That, I cannot allow.

MR. A S. DAMODARAN ASAN (*Mavelikara*) : Is it, as an amendment ?

DEPUTY PRESIDENT : Yes.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : My opinion is that the Regulation has to be passed after consulting this House.

DEPUTY PRESIDET : It may be your opinion But I cannot allow that.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : Is it not the member's suggestion that, within three months' time the Bill should pass through both Houses of Legislature ?

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : Yes.

DEPUTY PRESIDENT : But I have not allowed that proposition. So there is an end of it.

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MR. A. S. DAMODARAN ASAN (*Mavelikara*) The definition of agriculturists given by the Committee is acceptable to me and as suggested by Mr. S. J. Nair my only complaint is that the definition is too narrow. We are living in a country where it is difficult to separate an agriculturist from a non-agriculurist, and the interests of diffierent professions are so inter-linked that it is rather difficult to find a person who is not really interested in the agriculture of the State. I would like to have the definition of agriculturist as wide as possible.

The other point that I wish to place before the House is with regard to the exception of certain transations from the scope of the Bill. One is Government loans. Another is loans due to Co-operative Societies and the third is rent due to Jenmies and other land-holders. Then we find another restriction placed with regard to loans for trade purposes. Loans which are taken for squandering are not excluded. Loans taken by persons for other undesirable and unnecessary purposes are also not excluded ; but if an agriculturist in his attempt to conduct trade has contracted a loan, he will not get the benefits of the new law. I am of the view that these restrictions with regard to the nature of the debts and the purpose of the debts must be taken away.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I know what should be classed as an agricultural debt?

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : All debts must come within that scope.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Do you mean to say all debts incurred by an agriculturist?

MR. A. S. DAMODARAN ASAN (*Mavelikara*) ; Yes. Next I have to suggest that the relief that is sought to be given must be something substantially helpful to the indebted agriculturists.

DEPUTY PRESIDENT : This discussion proceeds on a report prepared by the Agricultural Debt Redemption Committeee. In the G. O. appointing the Committee it is stated that commercial and other kinds of debts will be excluded from the ambit of the enquiry. So any observation on that subject will have very little force because it is outside the purview of the enquiry and therefore outside the purview of the report.

MR. A. S. DAMODARAN ASAN (*Mavelikara*) : The relief that is sought to be given must help the persons who are really deserving. That is why I say that I put certain restrictions in the amendment. The second part of the amendment which I am going to move is with regard to the extent of the debt. I am of the opinion that Conciliation Boards must be constituted for this purpose. It is with very great hesitation that I make a recommendation for the formation of Debt Conciliation Boards. I want to see that this question is settled and that Debt Redemption actually brought into effect. Until I find a better machinery, I have to be satisfied with the formation of Debt Conciliation Boards. Such Conciliation Boards are to take into consideration those transactions of persons who are in real need of help. The

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present proposal of the Debt Redemption Committee that the debts might be reduced by mutual adjustments and that debtors might be allowed to pay in instalments is acceptable only with certain qualifications, as far as I am concerned.

With regard to payment by instalments, I would suggest that payment by instalments may be allowed to those debtors who will be in a position to discharge their debts by instalments from their income. By looking into the debts and the assets of any particular debtor ,the Board will be able to ascertain whether it will be better for the debtor either to alienate the major part of his properties and clear his debts or to allow him to repay the debts from the income of his properties. With regard to cases where debts exceed the assets, where the debts almost equal to the asset I would suggest that a small portion, say, 10 to 20 per cent. of the assets may be given to the debtor and the balance distributed amongst the creditors in proportion. This is based more or less on the observations of Sir Prabha Sankar Pattani. What is really needed is not an underwriting of the debts, but a freedom for the debtor from his burden. Immediate solution is not necessary with regard to those who are able to return the amount from the yield of their properties or from their assets.

Then, the general rules with regard to debt settlement may not apply to those whose debts exceeds Rs. 10,000.

**MR. K. R. ELENKATH** (*Kalkulam I*) : When considering the effects of economic depression and the situation created by the submission of the Debt Redemption Committee's Report, may I know whether the bigger landholder or the lesser landholder is affected ?

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : I have not yet begun to state my case.

What I want to say is this. Debt Conciliation Boards constituted for each taluk should not be given an unlimited jurisdiction. There must be a limitation for that also. I would suggest a limitation of Rs. 10,000. Persons who have contracted more than Rs. 10,000 debt will in most of the cases be in a better position than the creditors who have advanced debts to them. Even if we scrutinise the statistics given by the Committee, we find that the number of transactions of debtors who have contracted higher amounts is very high and even in the case of those who have debts of more than Rs. 6,000 the average number of creditors per debtor is about 10.

That means that the creditors in such cases are in a poorer condition than the debtors themselves. If that be so, when there is a theory that equalisation of wealth is preferable to the past unequal distribution, why not at least see that the poorer men are given a chance to get what is due to them ? In these cases, what I am submitting is that the persons who owe more than Rs. 10,000 are not in any way to be given a more advantageous position than the persons who have advanced money to them. Very many people in this country have, in the hope that Savings Bank deposit is a safe deposit, deposited about a crore of rupees in the Anchal Savings Bank. Similarly we find that



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[Mr. A. S. Damodaran Asan.]

rich men are trusted as safe trustees of the earnings of the poor people close by. All these people gave them money in the hope of getting it back during times of emergency. In those cases, is it not only legal and equitable to say that those rich men who have been entrusted with money of the poor people in the neighbourhood must be asked to pay the whole amount that is due to them? No special consideration need be shown to those persons who have contracted debts exceeding Rs. 10,000, where the creditors are in a poorer position than the debtors themselves or where the debts due to each of the creditors are very small amounts.

**MR. K. R. ELENKATH** (*Kalkulam I*): I want to ask a question. In case an agriculturist owes an amount of more than Rs. 10,000 to a non-agriculturist, will he be entitled to any relief?

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): So far as Travancore is concerned it is very difficult to discriminate between agriculturists and non non-agriculturists.

What I am suggesting is that, owing to the peculiar circumstances that have arisen in the country, in order to save a large set of people who have entered into transactions which cannot be cleared by them owing to causes beyond their control, we may deviate from the usual path; but such deviation is to be allowed only where necessity is proved. That is why I suggest that we have to look into the whole matter before passing the final law. What I would suggest is that, as all these questions could be considered in detail only if a Bill is drafted and placed before this House by the Government, the necessary steps must be taken for enacting the legislation without any delay

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): I wish to speak on the motion. I will finish it in two minutes.

**DEPUTY PRESIDENT**: I find Mr. Krishna Panickar standing more than once. I find also Mr. E. V. Krishna Pillai and Mr. P. C. Kurian standing up. I propose to call upon Mr. Kuriyan to speak first.

**MR. EDAVANATT S. PADMANABHA MENON** (*Shertala I*): I have also placed an item to be considered which is identical to the one moved by Mr. Asan. According to the ruling, I may be permitted to support Mr. Asan's amendment as I am not in a position to move that as an independent amendment.

**DEPUTY PRESIDENT**: No sanction is wanted for that. Why do you indent upon my mercy for that?

Mr. Kuriyan will speak now.

**MR. P. C. KURIYAN** (*Kottayam I*): Sir, I oppose the amendment. In doing so, my quarrel is not so much with the amendment as with the report itself or rather with the Government for their G. O. narrowing down the terms of reference to the Committee. Instead of asking the Committee to investigate and report upon the indebtedness in the country as a whole, the Committee was asked to investigate and report only upon the agricultural indebtedness in the country.

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**MR. K. R. ELENKATH** (*Kalkulam I*): Sir, I rise to a point of order. We are now discussing the report and I want to know whether the Honourable Member is entitled to refer to the terms of reference of the Committee with which we have absolutely nothing to do.

**MR. P. C. KURIYAN** (*Kottayam I*): Sir, the terms of reference bind only the Committee and not Honourable Members of this House.

**DEPUTY PRESIDENT**: I think it is quite relevant for a member to refer to the proceedings of Government constituting the Committee for the Committee's recommendations depend for their force on the Government order. How much importance should be attached is a question that has to be determined on that relationship.

**MR. P. C. KURIYAN** (*Kottayam I*): Sir, the Committee in their report say that the majority of the creditors are agriculturists themselves and I fail to understand how these recommendations are going to help those agriculturists. Now, Sir, this term 'agriculturists' is a miss-nomer so far as Travancore is concerned, for in Travancore, either every one is an agriculturist or no one is an agriculturist; conditions are different in Travancore as compared with other countries, including British India. It is a well-known fact that Travancore is a country consisting of small holdings and there are practically very few in the country who do not own at least an inch of land. Moreover I hold that there is no agricultural class as such in Travancore Every man is an owner of land and as such an agriculturist at the same time he follows all other possible vocations in life. Take any man at random: he will be an agriculturist to start with being an owner of some land besides being a trader, lawyer, Banker or Government servant, so much so that most of the Government servants including the gentlemen on the Treasury Bench are agriculturists.

Further in the report it is given that only 54 per cent. of the population are directly supported by agriculture. What about the rest of the population? Are they not hit by the depression? And do they not deserve any help at the hands of the State? Sir, the economic depression, for ought I know, is universal, and every section of the population except perhaps the Government servants, is equally hit. To many who perhaps may not come within the definition of agriculturists, the so-called agriculturists owe large amounts of money; and if the State is inclined to give relief only to the so-called agriculturist alone, the class originally mentioned will find themselves in a very unenviable plight for no fault of their own.

So, Sir, my position is only this. That the depression is a universal phenomenon and that it has affected all. Trade, business, agriculture and every other profession is hit equally badly; and any attempt at preference of the one over the other will have very bad repercussions in the country. Moreover, as already mentioned above, such a clear distinction of classes as agricultural and non-agricultural does not exist in the country.

**DEPUTY PRESIDENT**: You have said that half a dozen times.

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MR. P. C. KURIYAN (*Kottayam I*): Sir, I am prepared, if need be, to say that one hundred times.

DEPUTY PRESIDENT: That may be permissible on other platforms. But it shall not be allowed here. This is the first time you are speaking and I shall be sympathetic towards you.

MR. P. C. KURIYAN (*Kottayam I*): Sir, I crave the pardon of the Chair. I meant only that the point at issue was so very important and as such worthy of being repeated a hundred times.

Now a word about the proposals of the Committee. Personally speaking, I do not believe in these instalments. Moreover the Committee rules out the possibility of the Government financing the debt. There is obviously no money in the land and I don't think it is going to come for many years. I am one with the Committee in the proposals for setting up Conciliation Boards. I am for lowering down interest and cutting down the debts in any manner. Remove the word agriculturists from the report and let it be a debt redemption report and I will be satisfied. It is my firm belief that, by lowering the interest and cutting down the debt, and by the agency of the Conciliation Board, it will be possible to clear all these debts. Let us thus make an earnest attempt to rid our country of this curse of debt so that from 1112 there will be no debtor in this land of ours.

So I again appeal to the House to give relief to all the subjects, of His Highness the Maha Raja instead of making any mischievous distinction between agriculturists and non-agriculturists.

MR. POTTAYIL S. KRISHNA PANICKAR (*Shertala II*): Sir, let me at the outset congratulate the Agricultural Debt Redemption Committee or their very able, sympathetic and far sighted report presented to us at so short a time at their disposal. I may also at the very outset say that I am in full agreement with most of the major recommendations of the Report. I also subscribe to the sentiments and views expressed by Mr. Kunjukrishna Pillai in moving his amendment which is now before the House. But I wish to emphasise and bring to the notice of the House and the Government the urgency for the decision of the question of Agricultural Debt Redemption. It would appear, from the trend of the speeches that have been made, that this is a matter in which we can indulge in flippant talk to any extent. But this is a matter which requires the earnest attention of the Honourable Members of this House and the Government. Sir, the condition in the country is so pitiable. With the advent of the economic depression and the fall in the price of the agricultural products people began to shudder and lose faith in agriculture itself. Government then thought it fit to appoint a Committee to enquire into the matter. After the appointment of that Committee the Government of His Highness the Mada Raja thought it fit to issue a Proclamation whereby some temporary relief was intended to be afforded to the debt burdened agriculturists. When the Committee was proceeding with the work of investigation into the whole matter and at the period of the termination of the first Proclamation again the Government

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of His Highness the Maha Raja was pleased to issue another Proclamation with certain amendments. By the time the Committee submitted its report, the High Court have issued certain circulars which would help nobody under the sun. During the interval, Government could settle the question one way or the other and issue a definite order. It seems the High Court have sent certain circulars to the various District Courts for their guidance.

**DEPUTY PRESIDENT**: Now Mr. Panickar; when you are making statements like this, unless you specify the points of attack, I cannot allow this, because generally opinions expressed about the High Court cannot be allowed unless you support them by facts. Please therefore mention such facts.

**MR. POTTAYIL S. KRISHNA PANICKAR** (*Shertala II*): I submit to the ruling of the Chair?

**DEPUTY PRESIDENT**: What is the special virtue in saying that you submit to the Chair ?

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): May I know from the Chair how the High Court Circular is relevant to the issue under discussion ?

**DEPUTY PRESIDENT**: It is relevant and I am waiting to see what Mr. Panickar has to say.

**MR. POTTAYIL S. KRISHNA PANICKAR** (*Shertala II*): Sir, it is relevant in this way. I want to urge upon the House the urgency of the matter, in view of the grave situation that has arisen in the country. One of the remedial measures that has been adopted by the Government in the matter of affording relief to the agriculturists is the issue of a circular by the High Court. Therefore the question of the issue of the circular of the High Court is very relevant.

**DEPUTY PRESIDENT**: There is absolutely nothing gained by affirming my ruling (*Laughter*). Please proceed with the argument.

**MR. K. PADMANABHAN** (*Chirayinkil I*): May I know from the member whether the circular has in any way delayed the preparation of the Report ?

**MR. POTTAYIL S. KRISHNA PANICKAR** (*Shertala II*): In spite of the Circular issued by the High Court, the number of sales and arrests in execution proceedings in the various civil courts in the country are rather appalling. Various items of properties are daily being sold for decree debts and many warrants of arrests are daily issued. Since the temporary relief that has been granted by the Government in favour of the agriculturists a few months back, has now been withdrawn the creditor has come forward with a vengeance to get his pound of flesh. So I once again request the members of this House and Government to treat this matter as urgent as possible and I have great pleasure to support that part of the motion moved by Mr. Asan requesting the Government to pass a legislation within at least three months.

**MR. N. E. VARUGHESE** (*Tiruvalla I*): May I know from the member how the honourable members of this House are to treat this matter as very urgent ?

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**DEPUTY PRESIDENT:** Of course it is a pious hope ; it may solidify.

**MR. POTTAYIL S. KRISHNA PANICKAR** (*Shertala II*) : Sir, I may be permitted to move my own amendment.

(Presidents' bell).

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : Sir, I would certainly congratulate the Committee for one thing more than anything else. The Committee knew what they were about. They kept their vision clear. (*louder please*). They kept their vision clear. That is the sum and substance of the whole thing, the gist of the problem was to serve the interests of agriculturists without injuring those of the other classes. The Committee has made it quite clear that the agricultural population in the State is the backbone of the State and that the poor agriculturist has been reduced to this plight for no fault of his.

We see, Sir, in the dissenting minutes appended to this Report and also in some other quarters that the chief criticism offered by credit agencies is that the Travancore agriculturist has to thank himself for disastrous consequences in which he finds himself now. But that has been clearly and definitely repudiated by the Committee in this way that the Travancore agriculturist is not a spend thrift, is not extravagant ; but he is very desirous of keeping up his engagements and meeting his liabilities and that the present plight is due to unforeseen circumstances over which he had no control. Further on, the Committee says, as a sort of warning to the public and also the Government that there is a rapid dispossession of land of agriculturists, a circumstance which is bound to result in very serious consequences to the State. Therefore, in the broader interests of the State, the problem that is now before us, the problem that the Committee was called upon to solve, is the problem whether the interests of agriculturists could be served even at the sacrifice of smaller intererts of other classes. The Government or anybody who is responsible for framing the Bill should certainly keep this principle in mind. We are not concerned so much with the interests of classes other than of agriculturists. We are not concerned in retaining in affluence the money-lending classes ; we are concerned only in redeeming from utter destitution the largest class of people in the land. If the Bill is framed with this view it will serve the requirements of the time.

**DEPUTY PRESIDENT:** So according to you the interest of the money-lender may be sacrificed in order to help the agriculturists. Is that your view ?

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) ; Yes. The smaller interest of the money-lender may be sacrificed. As suggested by Mr. Abraham, this extraordinary circumstance can be surmounted only by extraordinary remedies.

**MR. M. SIVATANU PILLAI** (*Tovala*): In that case, may I know from the member whether it would not be too hard on the money-lender?

**MR. E. V. KRISHNA PILLAI** (*Pattana ntitta*) : I know how I am to answer that.

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**DEPUTY PRESIDENT :** You need not give an answer.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : Coming to the various measures of relief, I have only to add one point more regarding the constitution of the Debt Concilation Boards. When that was a subject which came up for discussion in the form of a Bill before us last time, we criticised it. I am honestly of opinion that it is not a very workable scheme. Anyway, as was suggested by Mr. Asan, that is the only possible alternative and we will give it a chance.

**DEPUTY PRESIDENT :** Mr, Sivatanu Pillai's question was whether it would not be too hard on the money-lenders if they are asked to forgo interest ?

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : My point is that the money-lender should be gracious enough, generous enough, to sacrifice a bit of his comforts in order to see that thousands and millions of his brethren are relieved from starvation.

About the constitution of Debt Conciliation Boards, I am of opinion that a stronger element of compulsion, in whatever form, may be or should be introduced. The idea is not so very clear to me. Anyway, a stronger form of compulsion should be introduced in the scheme.

**MR. M. SIVATANU PILLAI** (*Tovala*): May I know whether the member wishes to mete out the same treatment to Travancore money-lenders as well as non Travancore money-lenders?

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) : The well-being of the State is the most important consideration and so subject to that consideration, every body can be treated alike.

**DEPUTY PRESIDENT :** So you would not make any difference between the money-lenders here and outside ?

**MR. E. V. KRISHNA PILAAI** (*Pattanamtitta*) : I do not. The recalcitrant money-lender is penalised only for future interests and costs. It is not enough and so I make this suggestion for the benefit of the framer of the Bill. Then the proceedings before the Board are entirely different from the proceedings before a civil court. That should be made clear. The proceedings before a court are governed by the Civil Procedure Code and the Criminal Procedure Code. Here in the absence of any necessity for that, it is better that a time-limit is prescribed for the termination of proceedings before these Boards or else if Boards are allowed to carry on negotiations with parties, the procedure will spread over infinite periods and that will take us nowhere.

**MR. M. SIVATANU PILLAI** (*Tovala*) : May I know how this question assumes State importance? Whether A states to be an agriculturist, or B states to be an agriculturist, how does this question assume State importance ?

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*) : Is this question in order ? Mr. Sivatanu Pillai says how this question assumes State importance. Mr. Krishna Pillai did not say that the interest of the State is to see that the agriculturists is kept steady.

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MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*) : Sir, a point of order. When a question is put by one member to another member, is it open to another member to explain ?

DEPUTY PRESIDENT : I would not have allowed Mr. P. K Narayana Pillai to explain ; but he raised a point of order.

MR. M. SIVATANU PILLAI (*Tovala*) : My question was not clear to the member.

DEPUTY PRESIDENT : You may again ask the question, It is the right of a member to put a question and it is my right to allow it or to disallow.

MR. M. SIVATANU PILLAI (*Tovala*) : The money-lender in Travancore—

DEPUTY PRESIDENT : Please put the question in definite language and then explain if there is any difficulty.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : I have understood the question, Sir.

DEPUTY PRESIDENT : You cannot answer a question which you have not understood (*Laughter*).

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*) : I said I have understood him. In cases where the debtor and creditor are Travancoreans, the question put by my friend is whether it is in the interests of the State to injure the debtor to the advantage of the creditor. My answer is that certainly he can be injured inasmuch as the better interests of the State are safe-guarded.

DEPUTY PRESIDENT : The Chief Secretary wants to make an announcement.

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*) : Sir, I wish to inform the House that the Dewan is considering the question of extending the present Session of the Assembly by two days more and he may consult the House to-morrow and make an announcement on this point. If it is decided to extend the Session by two days, the idea is that whatever time that may be left over to-morrow—I hope there will be time left over after the discussion of the Public Accounts Committee Report—and the two days by which the Session is going to be extended, will be utilised for the continuation of the discussion of the motion on the Report of the Agricultural Debt Redemption Committee, for the transaction of the outstanding legislative business, in which I think I may include not only official but non-official business also and for the voting of supplementary demands. Government must get through the supplementary demands and at least a good portion of the legislative business. Whatever time that is available thereafter can be utilised for the continuation of the discussion on the motion now before the House. I only want to inform the House that, if any time is left over after the discussion of the Public Accounts Committee's Report tomorrow, the discussion on the present motion may be continued or legislative business or supplementary demands may be taken up. The announcement will be made by the Dewan tomorrow. I only want to place this information before the House so that honourable members may come prepared for the transaction of any of the items of business mentioned.

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